

FISCAL NOTE

SB 3183 - HB 3210

February 15, 2008

SUMMARY OF BILL: Requires that children starting pre-kindergarten (Pre-K) be four years old on December 31 the year they begin Pre-K and five years old by December 31 in the year they enter kindergarten. Current law requires that children be four and five by September 30 of the year they begin Pre-K or kindergarten respectively.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$63,340,200/One-Time/FY09-10

Increase Local Expenditures* - \$37,428,300/One-Time/FY09-10

Assumptions:

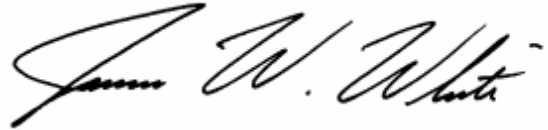
- In the 2008-09 school year, there will be a one-time increase in the number of children enrolling in kindergarten. Children with birthdays in October, November, and December will be eligible for enrollment. The state and local education agencies will have an increase in enrollment the first year. The BEP generates funds based on prior year enrollment. The state and LEAs would have a one-time increase in expenditures in the 2009-10 school year. The funds generated by the BEP take a year to match the prior year's attendance.
- Approximately 76,780 children entered kindergarten in 2006-07. The number of students per month is 6,398 ($76,780 / 12 = 6,398$). Three months or 19,194 children will be affected. All newly eligible children will enroll in 2008-09.
- The average state BEP per pupil expenditure for 2006-2007 was approximately \$3,300 and the average local match was approximately \$1,950.
- Total one-time increase in expenditures for state government will be approximately \$63,340,200 ($19,194 \text{ pupils} \times \$3,300 = \$63,340,200$).
- Total one-time increase in expenditures for local government will be approximately \$37,428,300 ($19,194 \text{ pupils} \times \$1,950 = \$37,428,300$).

- The total fiscal impact to state and local government is estimated to be approximately \$100,768,500 (\$63,340,200 + \$37,428,300 = \$100,768,500).
- Pre-K costs will remain constant. According to the Comptroller, changing the enrollment date to December 31 will result in 4,223 additional eligible students. Pre-K is not funded through the BEP and is based on a per-slot system. More students becoming eligible will not increase the number of slots or funding available. Those students will be added to the waiting list. The current waiting list is approximately 2,000 students.

**Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with a large initial "J" and "W".

James W. White, Executive Director

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